

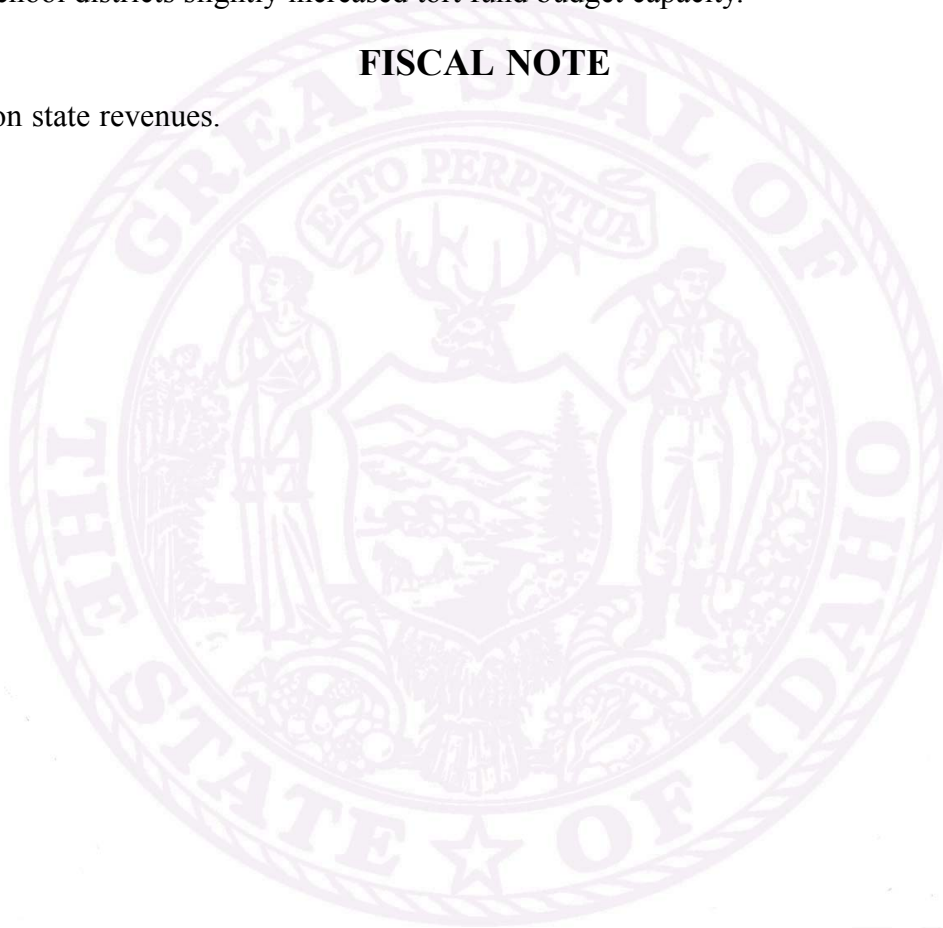
## **STATEMENT OF PURPOSE**

### **RS23254**

School districts maximum property taxes are computed including a component that takes the new construction roll value and multiplies it by a "Hypothetical Levy Rate". This rate is computed by adding the tort fund property tax and agricultural equipment replacement dollars. Personal property exemption reimbursement funds are not added, but are deducted from the tort fund. That means that the hypothetical levy rate will not compensate for the subtraction and, in most cases, there will be no new construction related budget capacity addition for school districts. This is inconsistent with the goal of the personal property reimbursement, which was to keep taxing districts whole. Adding a cross reference in section 63-802(a) pointing to 63-3638(13) corrects the problem and will give school districts slightly increased tort fund budget capacity.

### **FISCAL NOTE**

No effect on state revenues.



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